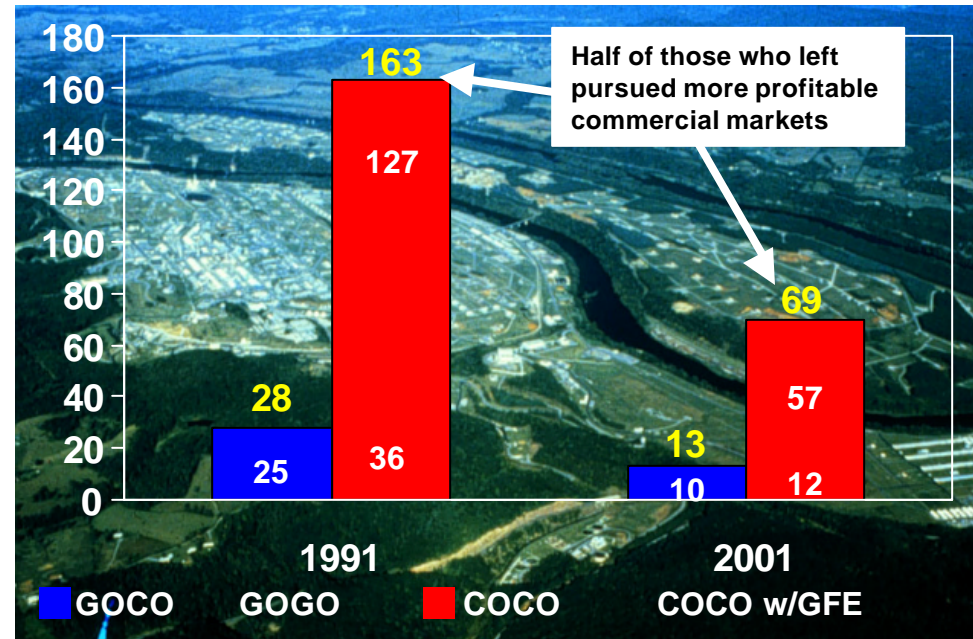




Production Base Realities

- Peacetime training requirements cannot sustain the base
- POM buys only 76 of 171 critical items
- Quantity fluctuations mean:
 - Production breaks
 - Lost critical skills
 - Increased start-up costs and time



Production Funding

GOGO

5%

COCO
65%

GOCO
30%

THE ORGANIC BASE:

- Maintains critical processes for which either no commercial capability exists or is insufficient
- A controlled, reliable source versus the commercial sector driven by Return on Investment



More Production Base Realities

Critical End Items/Components at Risk:

- single source producers
- Many items – no current source
- Electronics – commercial markets more lucrative

Critical Commodities without Domestic Sources:

- Nitroguanidine
- Lead Azide
- Baled Cotton Linters
- Red and White Phosphorous – used in smoke munitions.

No production causes loss of expertise and the ability to respond quickly

Responsiveness:

- Delays in meeting some production demands
- Policy changes diminish capabilities (e.g., mobilization > surge > resupply > replenish in 24 mos. > replenish in 36 mos. > 1 vs. 2 MTW's)
- Push to divest organic base further increases risks



TODAY'S UNCERTAINTIES

PEO Reorganization Initiative

- PEO Ammunition
- PEO Smart Munitions
- End state unknown

Changes invisible
to the war fighter

Assistant Chief of Staff for Installation Management Initiative

- Consolidated Installation Management
 - Garrison Commanders
 - Assume control of common garrison functions-environmental, roads and grounds, etc.
 - End state unknown

Post 9/11

- Changing requirements - higher?
 - SRC impact
 - Homeland defense
- Impact of Post Cold War actions-truly is come as you are war
- No current method of relating readiness of the munitions stockpile
 - Developing Munitions Status Report
 - Report in the War fighters language
 - Help identify where resources should be applied